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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

STPDTS

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

All media reported on the indictment yesterday of Rawi Sultani, a 23-year-old Israeli-Arab from Tira, northeast of Kfar Saba, who was allegedly recruited by Hizbullah in the summer of 2008 when he traveled to Morocco to attend a Balad (National Democratic Assembly) Party summer camp and later reportedly traveled to Poland to meet

another Hizbullah agent. Sultani was charged with giving Hizbullah information on IDF Chief of Staff Lt. Gen. Gabi AshkenaziQs gym. Ashkenazi was apparently targeted by Hizbullah for assassination following the killing of Imad Mughniyah, the groupQs Qchief of staff.Q Yesterday, Balad officials expressed concern that they would be pressured to close down party-sponsored summer camps for young activists. The media quoted Balad faction chairman Knesset Member Jamal Zahalka as saying that his party will not change its legitimate political activities. A participant in one of the camps told Channel 2-TV that they were intended to strengthen the Palestinian identity of young Balad activists. He said they learned in the camps about the "catastrophe" caused by Israel's creation, and how to protest against the West Bank security barrier. National Union Knesset Member Michael Ben-Ari called upon Attorney-General Menachem Mazuz to make Balad an illegal party, which was done in the 1980s to the Kach party of the late Knesset Member Meir Kahane, with whom Ben-Ari was close. The media pointed at the weaknesses of protection around the Chief of Staff, recalling the case of the theft of AshkenaziQs credit card data and a handgun from his office a few weeks ago.

HaQaretz reported that Washington will announce the renewal of talks between Israel and the PA through a trilateral summit of President Obama, PM Benjamin Netanyahu, and Palestinian President Mahmoud Abbas. The meeting would take place on the sidelines of the U.N. General Assembly late this month; two years would be allotted to completing talks on a peace agreement. HaQaretz and The Jerusalem Post reported that yesterday President Shimon Peres confirmed to Fox News that such a summit was being considered. HaQaretz reported that U.S. officials briefed representatives of several EU countries last week on the diplomatic vision Obama will present at the U.N. The Jerusalem Post quoted a PA official as saying yesterday that President Abbas will not agree to the resumption of peace talks with Israel unless Israel freezes all construction work in the settlements.

The Jerusalem Post reported that the government will Qunleash a public diplomacy blitz in the U.S. on SundayQ aimed at nothing less than reframing the Israeli-Arab conflict.Q The newspaper cited statement put out by FM Avigdor Lieberman's office according to which government ministers Moshe Ya'alon, Yossi Peled, Dan Meridor, and Benny Begin, as well as Deputy Foreign Minister Danny Ayalon and former Consul-General in New York Alon Pinkas, will begin on Sunday -- in a staggered fashion -- fanning out across the U.S., meeting with political and media figures, policy-makers, campus groups, and Jewish organizations, in an effort to explain the government's positions. During the campaign, which will last until mid-October, various members of the group will be in each of the following cities: Washington, New York, Chicago, Boston, Atlanta, Philadelphia, Detroit, Las Vegas, Houston, Los Angeles, San Francisco, and Miami. The Jerusalem Post quoted Lieberman as saying at the preparatory meeting held yesterday said that even though recent polls showed that the American public continued to view Israel as an important strategic ally, there was a need to strengthen this connection because of the importance Israel attributed to its relationship with the U.S. These comments appeared an effort to distance this campaign from the diplomatic cable sent recently by Israel's Consul-General in Boston, Nadav Tamir, who said the Jewish state was losing ground in American public opinion. Lieberman took issue with that conclusion. The FM said there was a need to present the "historical facts" to Americans and to refute long-entrenched opinions, such as that "settlements are an obstacle to peace." Lieberman said it was important to explain that Arab aggression toward Israel began before there were any settlements, and -- in fact -- before the creation of the state, and that the true conflict in the region was not between Jews and Arabs, but rather between moderates and extremists.

The ultra-Orthodox HamodiQa quoted FM Lieberman as saying yesterday at a meeting with EU foreign policy chief Javier Solana that Israel will not remain indifferent if Palestinian PM Salam FayyadQs unilateral plan to establish a Palestinian state is promoted.

The Jerusalem Post quoted Israeli officials as saying yesterday that DM Ehud Barak hopes to reach an agreement with settler leaders that ${\tt E}$

will enable the evacuation of 23 unauthorized outposts in the West Bank without the need for military or police intervention. The

officials talked to the newspaper following a face-to-face meeting Barak held at his Tel Aviv office with leading members of the Yesha Council of Jewish Settlements in the Territories.

Yediot reported that Judge Noam Solberg, a 47-year-old religious settler, is Justice Minister Yaakov NeQemanQs candidate for the post of attorney-general. The newspaper says that High Court of Justice President Dorit Beinisch, who did not want Solberg in her court, might accept him as attorney-general. Yediot reported that NeQeman might split the attorney-generalQs functions between that of attorney general and that of head of the general prosecution.

The media reported that 30 of the 108 children of Ethiopian origin whom three semi-private Petah-Tikva schools refused to accept will begin their studies in those schools today.

All media marked 70 years of the outbreak of World War II. Maariv reported that yesterday former Polish President Lech Walesa told the newspaper in Gdansk that his country is Qstuck with the Russians and that it is important for Poland to improve relations with Israel. The Jerusalem Post reported that Polish Ambassador to Israel Agnieszka Magziak-Miszewska, who together with the Association of Polish Jews in Israel will today attend a ceremony at the Tel Aviv Museum, noted that 120,000 Jewish soldiers served with the Polish army in its attempts to resist the Nazi onslaught.

Citing the Swedish news agency TT, The Jerusalem Post quoted Swedish FM Carl Bildt -- currently on a trip to Kabul -- as denying that he discussed with Italian FM Franco Frattini a possible resolution to the Israeli-Swedish friction at an upcoming informal meeting of European foreign ministers.

The Jerusalem Post reported that Danny Attar, the Jewish Chairman of the Gilboa Regional Council and his Arab deputy Eid Saleem, and Qadoura M. Qadoura, the Governor of the neighboring PA city of Jenin, are visiting the U.S. to promote Jewish-Arab coexistence.

Mideast:

Block Quotes:

1. "President Obama: Pro-Israeli, Pro-Palestinian, Pro-Peace"

Gershon Baskin, Co-Director of the Israel/Palestine Center for Research and Information, wrote in the conservative, independent Jerusalem Post (9/1): QThe U.S. position has always been that Israelis and Palestinians have to want peace more than the third parties do. Well, the people in the region do want it, they just don't know how to do it and have lost faith that it is even possible. The recent reports of increased law and order and economic growth in the West Bank brought a glimmer of hope to the Israeli public, but then came the Fatah convention which was perceived as backtracking to the days of Palestinian rejection of Israel's right to exist. It is time to face reality -- Israelis and Palestinian cannot do it by themselves. If President Obama is successful in creating the conditions for a renewal of negotiations, they will surely fail soon after they begin. Prime Minister Benjamin Netanyahu and President Mahmoud Abbas will not get beyond the first substantive discussion on any one of the main strategic issues: security, borders, Jerusalem or refugees. It is not because they don't want to -- I strongly believe that both Abbas and Netanyahu want to bring peace and security to their people -- they are simply not capable of seeing eye-to-eye on any of the main issues. President Obama will have no choice but to advance the negotiations by putting the United StatesQ own vision of peace with a detailed plan on the table.... President Obama should not be deterred by the noise that those who oppose peace on both sides The majority of Israelis and Palestinians really do want peace and if these principles are accepted, President Obama will be perceived as being pro-Israeli, pro-Palestinian and pro-peace.

II. "Diplomatic Entanglement"

Former Meretz leader and former Justice Minister Yossi Beilin wrote in the independent Israel Hayom (9/1): QNetanyahu insists on

continuing to build in Jerusalem and some of the settlements; the U.S. doesnQt want to be caught up in an absurd situation in which, for the first time in 42 years, just as its policy on settlements is so unwavering, a compromise will be created, producing legitimacy for some of them. How does one resolve this predicament? Netanyahu should unilaterally announce a construction freeze. The U.S. will announce that it notes his statement, that it doesnQt accept construction in Jerusalem and the settlements, but that it views the statement as progress that will allow the continuation of the negotiations. The PLO will announce that IsraelQs decision isnQt sufficient but that it allows the return to negotiations. On one hand, this move wonQt make the Americans and the Palestinians legitimize any continued Israeli building; on the other hand, it wonQt push all of us into a Qno exitQ corner. The duration of the freeze could match the time that U.S. administration will allot the negotiations for an Israeli Palestinian peace treaty. During this period, the U.S. can demand that the Arab states partially implement the Arab [peace] Initiative. The U.S. itself will have to be more intensely involved in the negotiating process than Senator Mitchell has been so far.

III. "Important Diplomatic Developments"

Zalman Shoval, a senior Likud member and former ambassador to the U.S., wrote in the independent Israel Hayom (9/1): QThe very possibility that the American [peace] plan may become public -assuming it will earn automatic support from European and other states, without its key clauses having previously been coordinated with Israel -- will pose almost unprecedented challenges to IsraelQs policy.... The American intent to conclude the negotiations Qin two yearsQ is more confused than [likely U.S. efforts to seek a permanent-status agreement straightaway]. It bears out the fact that policy-makers in the administration suffer from a typical American anti-historic syndrome that states that there is no problem without a solution in a set amount of time. This is happening instead of the Americans focusing on an effort to manage the conflict, promoting steps that would remove the threatening nuclei of flames, and then gradually moving forward to a situation of de-facto peace between the sides.

CUNNINGHAM